

MASS PERSONALIZATION VS. MASS CUSTOMIZATION: FINDING VARIANCE IN SEMANTICAL MEANING AND PRACTICAL IMPLEMENTATION BETWEEN SECTORS

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Abstract

In recent decades, terms, concepts and practical cases of mass service customization or personalization as well as a technology-based attitude to organizational management processes and systems have been combined and used widely both in development of private and public sectors (Jitpaiboon et al., 2013; Deloitte, 2015; Chatzopoulos, 2017; OECD, 2018). To be more specific, it became a dominant element within the content of management at organizations of different levels: a) as a strategic orientation to gain a competitive advantage and a higher level of process excellence in a long term run; b) as a key performance index to evaluate a level of customer satisfaction and value co-creation in a mid term run; c) as a standard to follow in daily management of process, system and employees at operational level (Welborn, 2009; Moon and Lee, 2015; Schlager, 2018). In addition, influence of external factors is also worth mentioning: new ways of correlation among sectors, a raise of global and dynamic tendencies of services and product line automation and digitalization, rapid social changes in the society take a notoriously significant place here (Jitpaiboon et al., 2013; OECD, 2018). All these factors naturally demand a continuous scientific research to discover new ways of aligning best practices and solving both new and old type of problems in the field. Therefore, the research type of conceptual paper is followed throughout this article for a quality evaluation of a current standpoint and practical tendencies in the field of understanding Mass Personalization and Mass Customization, as well as defining possibilities in adapting approaches of value co-creation and technology-based attitude.

Purpose – article aims to observe and analyze current scientific information of Mass Personalization and Mass Customization concepts and trends in their practical implementation as well as to conceptualize an existing misunderstanding between their semantical meanings in practice and to evaluate the influence of value co-creation and technology-based attitude as this lacks appropriate attention in theory.

Design / methodology / approach – in this research the author followed a mixed type of methodologies by using positivism and conceptualism. The first one is related to the method of scoping review, which is used to collect and categorize data of semantical meaning in Mass Personalization and Mass Customization concepts. The second one follows methods of general and comparative scientific literature review and conceptualization of new insights later. Therefore, the design of research might be described as a systematic literature review and information systemization.

Finding – results of the present evaluation of the research subject suggest that mismatches in semantical understanding of analyzed concepts as well as their adoption are very common. In addition, it is noticed that approaches of value co-creation and technology-based attitude and their combination are evaluated separately or partly from the research subject.

Research limitations / implications – the present article has limitations both in theoretical and practical fields. From the perspective of scientific research, it is noticed that in different periods, the focus has been switched exclusively on process standardization or Mass Customization, without conducting a multi-dimensional and holistic research on all 4 stages of service individualization procedure. In addition, there are also limited research carried out in the field of finding differences between semantical meanings of Mass Personalization and Mass Customization concepts as well as their possible combination for different sectors, with a focus on non-manufacturing organizations. Evaluating from the perspective of practical implication and influential factors, it can be stated that insufficient attention is paid to process and customer data flow management transitions to data analytics, Artificial Intelligence (AI), Application Programming Interface (API), Mobile Devices and overall digitalization related capabilities and trends.

Practical implications – results of the research may be applied in practice in different sectors and different type of organizations: a) as a multi-dimensional framework and basis for conducting an internal evaluation of ongoing process status as well as a content of service in relation to Mass Customization or Mass personalization; b) as a theoretical background to set up a direction and content of changes to reach a more customized or personalized service and create an overall more customer-centric approach in an organization; c) as a summary of key points for a better understanding on main differences, requirements, trends of each concept and their practical adoption.

Originality / Value – theoretical analysis created following holistic and multidimensional standpoints not only confirms existing differences between semantical meanings but also reveals possible points of misunderstanding when applied in practical implementation. In parallel, at this point, a combined approach of value co-creation and technology-based attitude produces valuable insights for future research and might serve as a basis for ongoing process evaluation in practice.

Keywords: Mass Customization, Mass Personalization, Digitalization, Co-creation

Research type: Literature review